

Audit's

MONTHLY NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

Realty Trust Review

December 27, 1971

VOL. II, No. 18

STATISTICAL AND MARKET ISSUE

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NEW TRUST OFFERINGS CONTINUE EN MASSE DESPITE SOGGY POST-HOLLADAY MARKET

If Continental Mortgage Investors had hoped that its blast against competitors, conveyed through a newspaper interview by Treasurer Durand Holladay Nov. 18, would stem the tide of new trust offerings, the largest trust surely has been disappointed. December closed with a blizzard of six new trust offerings, highest for any month in the year and pushing the fourth quarter dollar volume to \$193.25 million, highest quarter for the year. For the year our preliminary tabulation (excluding any offerings after Dec. 22) show that 29 trusts came public during the closing year, down from 33 last year and 32 in 1969. The total dollar volume of funds raised by new trusts amounted to \$622.0 million equity and \$180 million convertible debt. Second round fund raising by operating trusts reach a record \$584.9 million, (\$513 million convertibles, \$71.9 million equity). The grand total of funds raised by trusts wound up at \$1.387 billion, down 13.3% from the year ago record but slightly above our earlier estimates. Here is the record for 1971:

	1969	1970	-----1971 (Preliminary)-----				
			1Q	2Q	3Q	4Q	Total
Initial offerings-shares	\$880.8	\$949.0	\$175.0	\$171.5	\$ 82.3	\$193.3	\$622.0
-converts	50.0	361.7	85.0	40.0	--	55.0	180.0
Initial-total	930.8	1,310.7	260.0	211.5	82.3	248.3	802.0
Second round-shares	67.2	37.6	--	23.0	--	48.9	71.9
-converts	151.5	252.6	32.0	181.0	127.0	173.0	513.0
	218.7	288.7	32.0	204.0	127.0	221.9	584.9
GRAND TOTALS	\$1,149.5	\$1,599.4	\$292.0	\$415.5	\$209.3	\$470.2	\$1,386.9

The staff of AUDIT Investment Research wishes you all a happy holiday season and a prosperous New Year.

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DIVIDENDS: THE NUMBER INVESTORS SHOULD BE WATCHING CLOSER THAN EVER

As anyone who has read a sampling of real estate trust quarterly or annual reports can attest, there is a growing credibility gap surrounding the earnings per share numbers being reported by realty trusts. Not that the trusts are doing anything wrong. They are merely following the methods of calculation required by the accounting profession and those methods are more and more frequently confusing investors, if not actually misleading them.

The root of the problem is the growing complexity of trust capital structures themselves. In the halcyon days when we began Comparative Trust Statistics last spring, nearly all trusts had either warrants or convertibles in their capital structures, but very rarely both. Since then offerings of convertibles with warrants (and what a redundancy that is) have proliferated. Last issue we commented upon the wide disparities between "primary" and "fully diluted" earnings per share in a trust like Atico Mortgage Investors which now shows both convertibles and warrants on its balance sheet.

Lately have come the "synthetic" convertibles, or subordinated debentures that are not convertible but can be used to exercise warrants that are attached, a financing device popularized by Jimmy Ling. To date Guardian Mortgage Investors and Barnett Mortgage Investors have been the two trusts to issue these "synthetic converts" but BT Mortgage and Atico are in registration with similar offerings. These offerings have attracted many investors thrilled with the prospect of "true" leverage in these trusts and the postponement of conversion.

But a look at the numbers of these transactions turns up some interesting accounting. For instance, Barnett Mortgage sold \$20 million of 6 3/4% subordinated debentures on Sept, attaching 800,000 warrants. The warrants were original issue discount for the bonds, and the company's auditors subsequently determined that debt discount was \$4.6 million. In the Sept. 30 balance sheet, this \$4.6 million was credited, or added, to shareholders' equity while \$20 million was also added to debt outstanding. If one believes the books, Barnett's book value per share increased by 19.2% in the transaction, and total assets increased by \$24.6 million even though the trust received only \$20.0 million in cash before underwriting costs. Guardian's sale of \$30 million debentures was treated exactly the same. Both trusts are following complex legal and accounting opinions.

But the sale has been having some interesting impact on the shares of these two trusts. While primary earnings per share are increased by the maneuver, it also opens the way for arbitrage which has been putting pressure on the shares. The typical arbitrage is to sell the shares short while buying either the warrants or debentures and then covering the short position through exercise. For instance, one could buy the Guardian bonds at 79½, add 27 warrants at 9 3/4 recently, for a total cost of \$1058.51 (plus commissions) and cover a short position in the stock with a market value of \$1,067.57. This is a paper-thin margin suitable only for professionals but it develops both interest and pressure on GMI shares. About 10% of the warrants were exercised in the first quarter. And the gap between primary and diluted EPS widened.

The only safe course for investors is to rely more heavily than ever upon quarterly dividend declarations and payments. As indicated in the Atico Mortgage comments last issue, the dividend of \$0.55 per share was about halfway between primary earnings of \$0.68 and fully diluted earnings of \$0.44 per share. We believe that in some instances dividend is a far superior measure of how well a trust has performed for its shareholders than either of the earnings per share numbers required by the accounting profession, and where appropriate we will begin using annualized dividends for earnings in our Comparative Trust Statistics. We hesitate

taking this step because it departs so sharply from tradition, but our obligation is to report to you the most accurate picture of each trust's operations that we can. Each such substitution will be footnoted.

As a further aid in focusing your interest on dividends, we have tabulated below the dividend declarations over the past four weeks, showing comparisons with both the previous quarterly dividend payment and the year-ago payout. The actual change, in cents per share, and the percentage change are also shown.

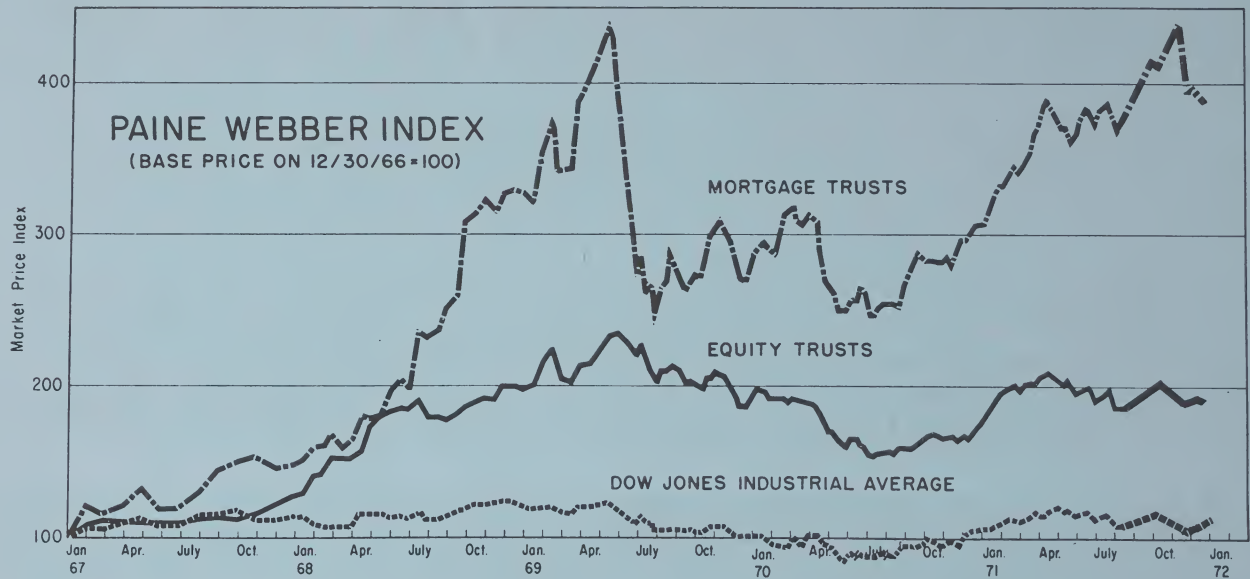
This will enable you to draw your own conclusions about the future course of trust dividends, in view of the widespread doubts about the continued viability of trust investment policies raised by *Continental Mortgage Investors'* Nov. 18 accusation against its competitors (see latest two RTR issues). In the latest month 38 trusts made dividend declarations. A total of 21 trusts increased dividends, 14

7 No

RECENT DIVIDEND DECLARATIONS BY REALTY TRUSTS

Name	Record date	-Dividend per share- Latest	Previous	---Net change--- Amt.	%	Extra	Year ago
Am. Century	12/14	\$0.58	\$0.58	--	NC	---	\$0.51
Cabot C&F Land	12/17	0.45	0.40	+0.05	+12.5%	---	NO
Chase Man. Tr.	12/31	0.85	0.70	+0.15	+21.5	---	0.48
C.I. Mtg. Grp.	11/29	0.53	0.50	+0.03	+ 6.0	---	0.40
Citizens MI	1/10	0.33	0.30	+0.03	+10.0	---	0.27
Conn. Gen. Mtg.	12/17	0.44	0.40	+0.04	+10.0	---	0.38
<i>Continental MI</i>	1/14	0.23	0.28	-.05	-17.9	---	0.26
Cousins Mtg.	12/23	0.47	0.47	--	NC	---	0.30
Diversified MI	1/10	0.57	0.55	+0.02	+ 3.6	0.18	0.52
Fidelco Mtg.	12/20	0.80	0.72	+0.08	+11.0	---	NO
First Memphis	12/27	0.45	0.45	--	NC	0.08	NO
First Mtg. Inv.	12/8	0.56	0.56	--	NC	---	0.51
Franklin Rlty.	12/17	0.19	0.19	--	NC	---	0.19
Fraser Mtg.	1/7	0.62	0.62	--	NC	---	0.58
Gould Investors	12/13	0.18	0.18	--	NC	---	NO
Grt. Amer. Mtg.	12/29	0.19M	0.185	+0.005	+ 2.7	---	0.125
GREIT Rlty.	1/10	0.40S	0.40	--	NC	---	0.40
Guardian MI	12/31	0.85	0.82	+0.03	+ 3.7	---	0.74
Gulf Mtg. & Rl.	12/15	0.12M	0.12	--	NC	---	NO
Hospital Inv.	12/1	0.29*	NO	--	NC	---	NO
Hubbard Rlty.	12/23	0.37	0.37	--	NC	---	0.36
M&T Mtg.	12/28	0.29	0.29	--	NC	---	0.25
MassMutual Mtg.	11/29	0.47	0.40	+0.07	+17.5	---	NO
Median MI	12/16	0.28	0.25	+0.03	+12.0	---	NO
<i>Medical Mtg.</i>	12/27	0.556	0.60	-.044	- 7.3	.014	0.60
Midland MI	12/30	0.35	0.34	+0.01	+ 2.9	---	0.35
MONY MI	11/30	0.25	0.23	+0.02	+ 8.7	---	0.21
<i>Mtg. Tr. Amer.</i>	1/10	0.54	0.57	-.03	- 5.3	---	0.50
Nat. Mtg. Fund	12/28	0.33	0.32	+0.01	+ 3.1	---	0.29
Northwest Mut.	12/31	0.35	0.28	+0.07	+25.0	---	NO
Penn. REIT	1/31	0.45S	0.425	+0.025	+ 5.9	---	0.40
Realty Income	12/3	0.35	0.30	+0.05	+16.6	---	0.25
Realty Refund	11/29	0.32*	NO	--	NC	---	NO
Sutro MI	1/7	0.425	0.40	+0.025	+ 6.3	---	0.40
Unionam. M&E	12/24	0.62	0.60	+0.02	+ 3.3	---	0.44
Wachovia Rlty.	1/6	0.64	0.62	+0.02	+ 3.2	---	0.52
Washington RIT	12/15	0.24	0.24	--	NC	---	0.22
Western MI	12/16	0.15	0.14	+0.01	+ 7.2	---	0.14

*Initial dividend. NO-No operations. NC-No change. Trusts reporting declines italicized.
M-Monthly dividend. S-Semi-annual dividend.



Source: Paine, Webber, Jackson & Curtis—Investment Bankers

showed no quarter-to-quarter change, and three declined. The trio of decliners included Continental Mortgage Investors, whose \$0.23 declaration was down 17.9% from the previous payout, tangible evidence that the trust's December quarter earnings were off sharply. The other two decliners were Medical Mortgage, which has proposed merger into Security Mortgage, and Mortgage Trust of America, a recent portfolio addition.

Trust shares have been slightly weaker than the overall market, with the Paine, Webber Index of mortgage trusts standing at 387, slightly above the 380 reached Nov. 26 but 12.6% below the peak of 443 reached Oct. 14 (see graph). Equity trusts, which represent much longer-term investments, have not suffered nearly as severely and their index reading is 186, down about 8.4% from their peak of 203 reached Oct. 7.

MODEL PORTFOLIO REVIEW: SHORT-TERM TRUSTS FAIL TO SHARE IN GENERAL MARKET ADVANCE

Short-term mortgage trusts have been weak in the past two weeks since we placed our short-term aggressive portfolio in a margin position. The decline in net asset value of that portfolio ran to 2.8%, vs. a 3.4% gain in the Dow-Jones Industrials. For the month, our tabulations of trading trends and advances-declines (see below) in listed trust issues show a modest margin (52.7% of shares traded) on the upside.

WEEKLY TRADING TRENDS IN LISTED TRUST SECURITIES

	--Nov. 26--		--Dec. 3--		--Dec. 10--		--Dec. 17--		---Totals---		
	No.	Th. Sh.	No.	Th. Sh.	No.	Th. Sh.	No.	Th. Sh.	Th. Sh.	%	
Advances	41	1,325.7	53	1,747.9	11	245.9	32	1,029.8	4,349.3	52.7	
Declines	26	730.0	12	358.3	56	1,722.4	32	845.9	3,664.6	44.4	
Unchanged	3	36.5	6	41.6	4	50.4	7	116.9	245.7	2.9	
	70	2,100.2	71	2,148.1	71	2,017.7	71	1,992.6	8,259.6	100.0	
Avg. Cl. Pr.	\$18.00		\$18.49		\$17.82		\$17.77				
NYSE-Vol. Th. Sh.	891.7		1,011.4		1,012.0		957.3				
-Avg. Pr.	\$27.24		\$28.34		\$27.22		\$27.33				
ASE-Vol. Th. Sh.	1,208.5		1,136.7		1,006.7		1,035.3				
-Avg. Pr.	\$15.26		\$15.63		\$15.08		\$15.00				

Newly listed: American Realty Trust warrants, ASE. Applied for listing: Lomas & Nettleton Mortgage, First Pennsylvania Mortgage, NYSE.

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PORTFOLIO I

LONG TERM, INFLATION PROTECTION

(Both portfolios begun April 21, 1971 with \$100,000 each and DJI at 941.33)

Sh.	Issue-Ann.	Div.	Orig. price	Mkt. 12/20	Val.	Sh.	Issue-Ann.	Div.	Orig. price	Mkt. 12/20	Val.
200	BankAmer.R1.	-1.76	\$28.75	25.13	5,026	700	Alison Mtg.	-2.80	\$21.00	25.50X ²⁶	7,850
300	Cabot C&F Land	-1.60	22.00	26.63X	7,989	100	Amer.Cent.	-2.32	26.00	25.13X ²⁶	2,513
800	Gen.Growth Pr.	-0.92	23.13	32.00	25,600	500	Assoc. Mtg.*	-2.40	28.38	24.13 ²⁶	12,065
600	GREIT Rlty.	-1.60	18.25	17.50	10,500	200	Atico Mtg.	-2.20	22.63	22.13 ²³	4,426
700	Mob.Hm.Comm.	-0.30	9.75	8.25	5,775	200	Cameron-Br.	-2.52	29.50	30.00 ³³	6,000
700	Penn. REIT	-0.90	12.50	13.00	9,100	300	C.I. Mtg.	-2.12	22.75	21.63 ²⁴	6,489
750	Rlty.Inc.Tr.	-1.40	17.13	15.13	11,348	600	Cont. Ill.*	-2.48	32.50	29.88 ³⁵	17,928
600	Saul (B.F.)	-1.28	19.75	20.88	12,528	400	Fidelity M.	-2.00	20.00	22.00 ²⁴	8,800
400	U.S. Lsg. RE	-1.60	22.13	20.50	8,200	200	Galbreath M.	-2.40	26.63	27.75	5,550
400	Wash. RIT	-0.96	12.63	10.75X	4,300	500	Grt. Amer.*	-2.28	27.48	28.25 ¹³	14,125
Mkt. value....					\$100,366	200	Guard. Mtg.	-3.28	33.50	39.50 ⁴¹	7,900
						650	Larwin Mt.*	-2.48	25.68	30.38 ²⁸	19,747
						200	Mtg. Tr. Am.	-2.16	24.63	23.75 ²⁸	4,750
						400	No. Amer.*	-2.28	29.75	32.00 ³³	12,800
						300	Sutro Mtg.	-1.60	19.38	20.13 ²⁰	6,039
						300	Unionamer.	-2.40	29.38	28.38X ²⁸	8,514
						Total mkt. value.....					\$155,496

Cash, beginning of month	\$ 6,307	Cash, beginning of month	-0.0-
Dividends received	231	Dividend received	734
New purchases-none	---	Less: Int. accrued on margin	
Cash, end of month	\$ 6,538	loan -\$48,262	126
Net asset value, end of month	106,904	Net cash	608
Net change in month	+ 495	Net asset value end of month	107,842
% change	+ 0.5%	Net change in month	- 3,118
		% change	- 2.8%
Dow-Jones Industrials Dec. 6	855.72	Dec. 20	855.01
*Original price is average of several purchases.	1/7		910.37

COMPARATIVE TRUST STATISTICS

How to use these statistics—Please read carefully

The data inside are intended to facilitate comparison of relative efficiency of trust management with funds available during the latest period. Every effort has been made to present data for that purpose. Readers should note that the data are historical and not projections of future trends. This holds especially for dividends, which vary with each quarter's earnings for most mortgage trusts and thus are not to be considered in any way as guaranteed yields.

The heart of the comparisons is annualization of current earnings and dividend rates. For mortgage trusts, this is done by multiplying the latest quarter by four without seasonal adjustment. These earnings are adjusted for conversion of debt (i.e., fully diluted) but not for exercise of warrants, as described below. For equity trusts, net cash flow (defined as earnings plus depreciation and non-cash charges minus mortgage amortization) has been used and any known seasonal factors applied. The symbol "#" denotes use of cash flow in the earnings columns. Group averages may be reduced to the extent new trusts are included in any given group.

The number of shares outstanding is the number issued as of the latest balance sheet and is not adjusted for conversion or exercise of warrants. Book value per share however is adjusted for conversion of all convertible debentures. It does not reflect changes for any exercise of warrants.

Four standard comparisons are presented: price changes since the last issue; price/earnings ratios and estimated dividends based upon current market prices; and percentage of market price of book value. All values are positive unless indicated.

The fifth comparison, return on book value, measures management's performance with available funds. Because of the increasing complexity of trust capital structures, the computations are made in the following manner for trusts with these capital structures.

Convertible debentures only: Fully diluted earnings are compared with fully converted book value per share, since funds from convertibles are at work.

Warrants only: Primary earnings per share are compared with book value without assuming warrant exercise, since again this measures funds actually in use. Trusts in this category currently reporting significant differences and their primary and diluted earnings annual rates are listed inside.

Both warrants and convertibles: Fully diluted earnings and fully converted book value are used. The data for trusts in this category thus tend to understate return slightly. Trusts in this category reporting differences in their primary and diluted earnings (at annual rates) are listed inside.

29 EQ 5.93V +7.69BV 14.71 PE
50 ST 8.22 +76.89 12.23
26 LT 6.52 +25.35 15.20

December 27, 1971

283.92
96.35
380.27

23.52
1.20
24.72

26.16
2.20
28.36

323.28
93.85
417.13

24

5

8

20

NAME (LISTED)	SHARE (000)	BOOK VALUE	EST DIV*	EARNINGS MON	ANN*	LAST PRICE	% CHNG	P/E RATIO	EST* YIELD	% PR TO BK	RET ON BK	MKT VA (MILS)
EQUITY AND COMBINATION TRUSTS												
AM RLTY-ASE	2083	8.64	0.80	SEP	0.93	8.50X	2.3	9.1	9.4	-1.6	10.7	17.7
CABOT LND-AS	1690	19.78	1.80	NOV	1.80	26.63X	-0.1	14.7	6.7	34.6	9.1	45.0
DENVER R-WS#	1091	9.82	0.60	DEC	0.76	8.50	0.0	11.1	7.0	-13.4	7.7	9.2
FIRST UN-AS#	3558	9.09	0.88	OCT	1.12	12.00	2.1	10.7	7.3	32.0	12.3	42.6
FRANK RL-ASE	987	10.11	0.76	SEP	0.76	9.13X	-1.8	12.0	8.3	-9.6	7.5	9.0
GEN GRW-WS#	2385	7.48	0.92	SEP	1.08	32.00	6.6	29.6	2.8	327.8	14.4	76.3
GIT RLTY-OC#	1196	9.48	1.00	JUN	1.08	9.13	-6.3	8.4	10.9	-3.6	11.3	10.9
GOLD IN-WS#	1323	8.24	0.72	SEP	0.96	6.75X	-0.9	7.0	10.6	-18.0	11.6	8.9
GREIT RL-AS#	998	14.80	1.60	OCT	2.15	17.50	4.4	8.1	9.1	18.2	14.5	17.4
HUBBARD-NYSE	4004	23.34	1.48	OCT	1.64	21.25X	1.1	12.9	6.9	-8.9	7.0	85.0
INVES RL-AS#	1579	13.21	1.04	SEP	1.12	13.38	3.8	11.9	7.7	1.2	8.4	21.1
MOB HM C-WS#	1060	9.22	0.30	AUG	0.92	8.25	-4.4	8.9	3.6	-10.5	9.9	8.7
MUTUAL R-WS#	1433	6.69	0.15	JUN	0.17	2.63	-8.6	15.4	5.7	-60.6	2.5	3.7
NAT RLT-ASE#	1622	10.98	0.40	JUN	0.56	6.13	-7.5	10.9	6.5	-44.1	5.1	9.9
PENN RL-ASE#	1154	10.75	0.90	AUG	1.14	13.00	19.4	11.4	6.9	20.9	10.6	15.0
REIT AM-ASE	1567	21.41	1.40	AUG	1.36	22.25	9.8	16.3	6.2	3.9	6.3	34.8
RIVIERE-OC#	783	9.08	0.88	SEP	0.82	8.50	-2.8	10.3	10.3	-6.3	9.0	6.6
RLTY IN-ASE	1516	13.21	1.40	OCT	1.04	15.13X	6.7	14.5	9.2	14.5	7.8	22.9
SAUL (BF)-WSJ	3582	11.90	1.28	SEP	1.40	20.88	17.6	14.9	6.1	75.4	11.7	74.7
US EQUIT-OC#	1583	3.70	0.28	JUL	0.56	3.13X	-8.5	5.5	8.9	-15.4	15.1	4.9
US LSG R-AS#	1348	22.92	1.60	SEP	1.60	20.50	-4.6	12.8	7.8	-10.5	6.9	27.6
US RLTY-ASE#	2540	12.98	1.60	SEP	1.64	18.00X	9.0	10.9	8.8	38.6	12.6	45.7
WASH RL-ASE#	788	8.87	0.96	DEC	0.95	10.75X	3.3	11.3	8.9	21.1	10.7	8.4
WISC RL-WSJ#	1447	8.39	0.92	SEP	0.60	9.38X	1.1	15.6	9.8	11.7	7.1	13.5
GROUP AVG	1722	11.83	0.98		1.09	13.47	3.3	12.3	7.3	13.8	9.2	620.5
EQUITY AND COMBINATION TRUSTS NEW												
ARLEN PR-WS#	1012	14.95	0.00	PRF	1.38	13.25	-0.9	9.6	0.0	-11.3	9.2	13.4
BLDR IN G-OC	2480	22.89	0.00	NEW	0.00	20.25	0.0	0.0	0.0	-11.5	0.0	50.2
CEN I PR-OC	4008	23.47	0.00	NEW	0.00	26.25	1.9	0.0	0.0	11.8	0.0	105.2
FIRST FID-OC	336	12.08	1.20	JUL	0.85	14.00	0.0	16.4	8.5	15.8	7.0	4.7
USF INVES-WS	2400	23.00	0.00	NEW	0.00	20.13	-0.5	0.0	0.0	-12.4	0.0	48.3
GROUP AVG	2047	19.27	0.24		0.44	18.77	0.2	42.0	1.2	-2.6	2.3	221.8
SHORT-TERM MTG-INDEPENDENT												
ASSOC MI-ASE	1300	22.94	2.40	SEP	2.68	24.13	8.4	9.0	9.9	5.1	11.6	31.3
CAPIT MI-WSJ	1000	18.70	2.32	SEP	2.44	28.50	1.7	11.6	8.1	52.4	13.0	28.5
CONT MI-NYSE	16542	9.76	0.92	SEP	1.24	13.63	1.8	10.9	6.7	39.6	12.7	225.4
FIRST MI-NYS	5808	15.87	2.24	OCT	2.20	24.25X	-1.2	11.0	9.2	52.8	13.8	140.8
GENL MTG-ASE	1296	12.91	0.96	SEP	0.96	11.00	2.3	11.4	8.7	-14.7	7.4	14.2
MI WASH-WSJ	1033	14.22	1.32	SEP	1.28	16.25	18.1	12.6	8.1	14.5	9.0	16.7
REPUB MI-ASE	1963	18.90	1.80	SEP	1.80	18.38	2.1	10.2	9.7	-2.7	9.5	36.0
WEST MI-WSJ	1000	9.03	0.60	AUG	0.56	6.38X	11.0	11.3	9.4	-29.3	6.2	6.3
GROUP AVG	3743	15.28	1.57		1.64	17.81	4.4	10.8	8.8	16.5	10.7	499.6
SHORT-TERM MTG-MTG BANKER												
ALISON M-ASE	1399	18.73	2.80	OCT	1.96	25.50X	-1.6	13.0	10.9	36.1	10.4	35.6
ATICO MI-ASE	1633	17.45	2.20	OCT	1.76	22.13	5.9	12.5	9.9	26.8	10.0	36.1
BAIRD & WA-WS	744	19.59	1.20	OCT	1.28	18.63	0.7	14.5	6.4	-4.9	6.5	13.8
CITIZ MI-ASE	1407	14.06	1.32	SEP	1.24	14.38	8.5	11.5	9.1	2.2	8.8	20.2
COWEL M-ASE	921	23.65	2.40	SEP	1.84	27.00	0.0	14.6	8.8	14.1	7.7	24.8
FRASER MI-WS	1038	17.07	2.48	NOV	2.56	29.00	14.8	11.3	8.5	69.8	14.9	30.1
GALBREATH-WS	900	25.88	2.40	SEP	2.24	27.75	5.7	12.3	8.6	7.2	8.6	24.9
GUARD MI-NYS	1731	27.46	3.40	AUG	3.60	39.50	3.9	10.9	8.6	43.8	13.1	68.3
GULF SO M-OC	760	18.32	0.00	NEW	0.00	15.00	0.0	0.0	0.0	-18.1	0.0	11.4
HAMILTON-WSJ	1260	18.12	1.20	SEP	1.26	14.38	0.0	11.4	8.3	-20.6	6.9	18.1
HEITMAN-ASE	1555	9.67	0.88	SEP	0.88	13.50X	9.7	15.3	6.5	39.6	9.1	20.9
LARWIN M-ASE	2005	18.95	2.48	SEP	2.48	30.38	11.9	12.2	8.1	60.3	13.0	60.9
LOMAS & N-WS	2800	24.38	3.20	SEP	3.20	40.00	0.0	12.5	8.0	64.0	13.1	112.0
M&T MTG-WSJ	813	10.31	1.16	NOV	1.20	11.75	2.1	9.7	9.8	13.9	11.6	9.5
MIDLAND M-AS	1643	13.14	1.40	SEP	1.36	13.25	0.9	9.7	10.5	0.8	10.3	21.7
NAT MG FD-WS	1402	10.47	1.32	NOV	1.16	13.25	12.7	11.4	9.9	26.5	11.0	18.5
NO AMER M-NY	4153	14.19	2.28	SEP	2.28	32.00	13.7	14.0	7.1	125.5	16.0	132.8
PALOMAR M-AS	1208	11.84	1.40	AUG	1.52	16.00	4.0	10.5	8.7	35.1	12.8	19.3
SUTRO MI-ASE	2061	16.52	1.70	SEP	1.64	20.13	11.8	12.2	8.4	21.8	9.9	41.4
TEXAS FM-WSJ	1110	18.20	1.20	SEP	1.20	19.88	11.1	16.5	6.0	9.2	6.5	22.0
GROUP AVG	1527	17.40	1.82		1.73	22.17	5.6	12.7	8.2	27.4	9.9	743.3

348.00 36.40 34.60 443.40

122.24
348.00
287.28
132.64
890.16
12.56
36.40
29.54
14.40
92.90
13.12
34.60
30.52
140.8
92.32

NAME (LISTED)	SHARE (000)	BOOK VALUE	EST DIV*	EARNINGS MON	ANN*	LAST PRICE	% CHNG	P/E RATIO	EST* YIELD	% PR TO BK	RET ON BK	MKT VA (MIL \$)
INTERMEDIATE-TERM MORTGAGES												
DIVER MI NYS	7133	20.15	2.28	SEP	2.48	27.75	3.7	11.1	8.2	37.7	12.3	197.9
MEDIAN MI-WS	1492	9.73	1.12	OCT	1.00	13.50X	-1.5	13.5	8.2	38.7	10.2	20.1
RTY REF-WSJ	1029	18.12	1.28	OCT	1.28	16.75	-4.9	13.0	7.6	-7.5	7.0	17.2
SECUR MTG-AS	3363	6.98	0.92	SEP	0.92	16.63	-1.4	18.0	5.5	138.2	13.1	55.9
GROUP AVG	3254	13.74	1.40		1.42	18.65	-0.4	13.1	7.5	35.7	10.3	291.2

SHORT-TERM MTG-COMCL BANK												
AM FLETCH-AS	540	22.84	2.60	OCT	2.80	25.13	-7.7	8.9	10.3	10.0	12.2	13.5
BARNETT-WSJ	1285	21.86	2.28	SEP	2.60	26.88	4.8	10.3	8.4	22.9	11.8	34.5
CAM BRWN-WSJ	1751	23.98	2.52	SEP	2.76	30.00	2.1	10.8	8.4	25.1	11.5	52.5
CHASE MAN-NY	4224	30.29	3.40	NOV	3.64	51.00	3.0	14.0	6.6	68.3	12.0	215.4
CIT & SO-WSJ	2813	18.29	2.20	SEP	2.20	30.75	-0.8	13.9	7.1	68.1	12.0	86.4
CITIN DEV-OT	600	18.63	1.80	SEP	1.76	18.75	-1.3	10.6	9.6	0.6	9.4	11.2
CONT ILL-NYS	2660	18.53	2.48	SEP	2.56	29.88	0.4	11.6	8.2	61.2	13.8	79.4
FIR DEN-ASE	1510	18.47	1.60	SEP	1.60	17.88	0.7	11.1	8.9	-3.1	8.6	26.9
FRST PENN-WS	1942	20.81	2.00	OCT	1.76	25.38	5.1	14.4	7.8	21.9	8.4	49.2
NJB PRIME-OC	760	18.95	0.00	NEW	0.00	18.50	0.0	0.0	0.0	-2.3	0.0	14.0
TRI-SOUTH-WS	1401	18.75	2.08	SEP	2.08	27.50	6.7	13.2	7.5	46.6	11.0	38.5
UNIONAM M-AS	1333	18.74	2.48	NOV	2.56	28.38X	5.9	11.0	8.7	51.4	13.6	37.8
WACHOVIA-NYS	3335	19.00	2.56	NOV	2.64	32.00	3.6	12.1	8.0	68.4	13.8	106.7
WELLS FAR-WS	3761	18.20	1.60	SEP	1.60	20.88	3.1	13.0	7.6	14.7	8.7	78.5
GROUP AVG	1994	20.52	2.11		2.18	27.35	1.9	12.5	7.7	33.2	10.6	845.2

SHORT-TERM MTG-MISC FINCL												
AM CENT-ASE	2220	22.17	2.32	SEP	2.04	25.13X	6.0	12.3	9.2	13.3	9.2	55.7
BENEF SD-ASE	775	18.21	2.20	OCT	2.20	23.00	7.5	10.4	9.5	26.3	12.0	17.8
CI MTG GR-NY	3409	18.85	2.12	OCT	2.12	21.63	3.0	10.2	9.8	14.7	11.2	73.7
DOMIN M&R-WS	519	10.65	0.56	AUG	0.80	8.25	0.0	10.3	6.7	-22.5	7.5	4.2
FIDEL MI-ASE	2178	20.07	2.00	OCT	2.00	22.00X	-3.3	11.0	9.0	9.6	9.9	47.9
GRT AMER-WSJ	3636	13.64	2.28	OCT	2.16	28.25	-3.0	13.0	8.0	107.1	15.8	102.7
LINCOLN M-WS	1144	9.87	0.80	SEP	0.68	8.75X	8.4	12.8	9.1	-11.3	6.8	10.0
MG TR AM-NYS	3218	19.23	2.16	NOV	2.16	23.75	4.9	10.9	9.0	23.5	11.2	76.4
GROUP AVG	2137	16.58	1.80		1.76	20.09	2.4	11.3	8.9	21.1	10.6	388.7

LONG-TERM MTG & EQUITIES												
BANK AM-WSJ	3240	19.18	1.76	OCT	1.72	25.13	4.7	14.6	7.0	31.0	8.9	81.4
BT MTG-ASE	1734	12.36	1.70	SEP	1.64	24.00	9.0	14.6	7.0	94.1	13.2	41.6
CLEVE TR-WSJ	2516	18.53	1.28	SEP	1.28	20.88	8.4	16.3	6.1	12.6	6.9	52.5
CONN GEN-NYS	5090	23.64	1.76	SEP	1.88	26.75X	-4.1	14.2	6.5	13.1	7.9	136.1
COUSINS M-AS	2177	18.29	1.88	NOV	1.88	24.75X	7.8	13.1	7.5	35.3	10.2	53.8
EQUIT LF-NYS	4377	24.69	1.76	OCT	1.96	27.63	8.3	14.0	6.3	11.9	7.9	120.9
FIDELCO -ASE	944	23.17	3.20	NOV	3.28	33.88X	8.7	10.3	9.4	46.2	14.1	31.9
FIR MEMO-WSJ	1161	18.64	1.80	NOV	1.80	23.00X	8.1	12.7	7.8	23.3	9.6	26.7
GULF MTG-ASE	2210	18.34	1.44	AUG	1.12	17.50X	-0.0	15.6	8.2	-4.5	6.1	38.6
HNC MTG-OTC	1135	19.70	0.00	NEW	0.00	19.75	0.0	0.0	0.0	0.2	0.0	22.4
HOSPIT IN-WS	1260	18.13	1.16	NOV	1.16	15.88X	1.0	13.6	7.3	-12.4	6.3	20.0
HOTEL IN-WSJ	937	19.34	1.72	NOV	1.88	23.38	-1.5	12.4	7.3	20.8	9.7	21.9
MASS MUT-NYS	3058	19.83	1.88	OCT	1.80	29.63	12.3	16.4	6.3	49.4	9.0	90.6
MEDIC MTG-WS	1345	22.86	2.22	SEP	2.36	28.25X	5.7	11.9	7.8	23.5	10.3	37.9
MONY MI-NYSE	6692	10.00	1.00	AUG	0.92	12.88X	2.9	14.0	7.7	28.8	9.2	86.1
MTG GRW-WSJ	1092	11.39	0.00	PRF	0.00	18.13	26.0	0.0	0.0	59.1	0.0	19.7
NORTHW MU-NY	3049	20.05	1.40	SEP	1.24	24.50	10.1	19.7	5.7	22.1	6.1	74.7
OLD STONE-OT	457	11.66	1.12	OCT	1.08	14.25X	2.0	13.1	7.8	22.2	9.2	6.5
PNB MTG-ASE	1818	18.67	1.80	SEP	1.96	25.13	9.2	12.8	7.1	34.6	10.4	45.6
PRPF CAP-WSJ	2065	13.75	1.32	OCT	1.44	21.75X	2.6	15.1	6.0	58.1	10.4	44.9
RAM PACIF-OC	1260	18.99	0.00	NEW	0.00	18.00	-4.6	0.0	0.0	-5.2	0.0	22.6
STATE MU-ASE	1805	19.78	1.60	SEP	1.68	21.75	0.5	12.9	7.3	9.9	8.4	39.2
GROUP AVG	2246	18.22	1.44		1.45	22.58	5.3	15.4	6.4	23.8	8.0	1116.5

*ANNUALIZED- QUARTER MULTIPLIED BY FOUR. #CASH FLOW. PRF PRF FORMA. X- EX DIVIDEND.

GROSS CASH FLOW USED FOR MOBILE HOME COMM.

Warrants only: American Flet., \$2.80 and \$2.24; Unionamerica, \$2.40 and \$1.80; Cameron Brown, \$2.76 and \$2.16; Mortgage Trust of America, \$2.16 and \$1.64; Associated Mtg., \$2.64 and \$2.52; PNB, \$1.96 and \$1.44; Tri-South \$2.08 and \$1.76; Fidelco, \$3.28 and \$2.52; C.I. Mtg. \$2.12 and \$1.52; Citizens & Sou., \$2.20 and \$1.80; Barnett, \$2.60 and \$1.88; Capital, \$2.20 and \$1.76; M&T \$1.04 and \$0.84(Aug); Continental Ill., \$2.56 and \$2.52; Wells Fargo, \$1.60 and \$1.44.

Warrants and convertibles: Alison, \$2.80 and \$1.96; American Century \$2.44 and \$2.04 Atico, \$2.72 and \$1.76; First Mtg., \$2.44 and \$2.20; National Mtg., \$1.40 and \$1.16; Galbreath, \$2.44 and \$2.24; First Pennsylvania, \$2.00 and \$1.76; Mortgage Inv. Washington, \$1.48 and \$1.28; Median, \$1.32 and \$1.00; Republic, \$2.00 and \$1.80; Colwell, \$2.60 and \$1.84; Guardian, \$3.84 and \$3.60; Great Amer., \$2.24 and \$2.16.

WARRANTS	WT (MKT)& EXP	QUT EXER (000)	N0. SH.	--PRICE--		QONV PREM	% CHG	MKT VA (MIL\$)	CONVERT DEBENTURES				YIELD (%)	% CHNG
				WTS	STK				DEBENT (MAT)	INT (%)	CONV AT	RECENT PRICE		
ALISON-12/75	150	19.00	1.0	6.63	25.50	0.5	-10.1	0.9	ALISON M'90#	7.00	19.00	134.00	5.2	-1.4
AM GEN-6/75#	906	23.00	1.0	5.25	25.13	12.4	-8.6	4.7	AM GEN-190#	7.00	21.00	120.00	5.8	-5.0
AM FLE11/75#	540	23.00	1.0	4.88	25.13	18.9	-17.0	2.6	AM RLTY-184#	7.00	13.00	84.50	8.2	1.1
AM RLTY-9/76	1000	9.63	1.0	2.00	8.50	36.8	-6.1	2.0	AMER C'91#	6.75	28.00	90.88	7.4	2.2
ASSOC-12/73	100	28.25	1.0	2.50	24.13	27.4	-16.6	0.2	BAIRD & W'91	6.75	21.00	86.00	7.8	-1.1
ATCB-4/76	360	21.00	1.0	4.00	25.13	12.9	-3.1	1.4	BANKAMER-90	6.75	21.00	116.00	5.8	-2.6
ATICO-12/74#	1176	15.00	1.0	8.00	25.13	3.9	-1.5	9.4	BENEF SD-191	6.50	27.75	83.00	7.8	0.0
BARNETT-4/80	1264	20.00	1.0	7.50	26.88	2.3	-6.2	9.4	CABOT CF-191#	6.75	26.00	125.00	5.4	0.6
BEN ST-7/75#	775	20.00	1.0	4.88	23.00	8.1	-4.8	3.7	CHASE MT-90#	6.75	26.00	86.00	7.5	-1.7
BENEF B-3/77	270	27.75	1.0	3.75	23.00	36.9	-0.0	1.0	CHS MAN-196*	6.75	26.00	192.00	3.5	4.3
BLD IN-12/76	2480	25.00	1.0	4.25	20.25	44.4	-0.0	10.5	COWELL-191	6.50	55.00	103.25	6.2	4.6
BRNETT-9/76	800	28.50	1.0	4.50	26.88	22.7	-7.7	3.6	COWEN-196*	6.00	32.50	98.50	6.0	-0.5
CAM BR-11/76	1749	25.00	1.0	6.75	30.00	5.8	-1.8	11.8	COWN GEN-90*	6.75	22.00	128.00	5.2	1.9
CAPITAL-11/77	1000	20.00	1.0	8.75	28.50	0.8	-0.0	8.7	COWT MT-90*	6.25	22.25	83.00	7.5	4.7
CI(A) 12/74	3405	20.00	1.0	4.63	21.63	13.8	-2.8	15.7	DIVER MT-189	6.50	23.00	121.00	5.3	4.0
CI(B)-12/72	863	20.00	0.5	5.63	30.75	5.7	-14.7	14.5	EQUIT LF-90*	6.75	26.25	103.00	6.5	5.1
CIT S0-10/75	2578	20.00	1.0	3.38	14.38	27.8	-9.8	2.3	FIDELIT-185#	7.75	21.25	103.00	7.5	-2.8
CITIZ-12/74#	703	15.00	1.0	3.00	18.75	22.6	-0.0	1.8	FIRST PEN-91	6.75	26.00	96.00	7.0	-2.2
CITNAT-4/75	600	20.00	1.0	3.88	20.88	14.3	-3.4	9.7	FRANK RL-89#	7.00	10.00	93.50	7.4	-0.7
CLEV TR-1/76	2515	20.00	1.0	7.88	27.00	3.2	-8.6	7.0	GALBREATH-91	7.00	28.50	94.00	7.4	4.4
COWL-12/74#	898	20.00	1.0	10.50	29.88	2.0	-1.1	3.3	GENERAL-190#	8.00	10.50	105.00	7.6	-6.2
COWL B'9/73	316	20.00	1.0	4.00	27.00	23.6	-13.6	1.2	GRT AVER-191	7.00	35.50	85.88	8.1	0.4
DENVER-5/76	165	11.00	1.0	1.25	8.50	44.1	0.0	0.2	GUARD MI-85#	8.00	25.00	152.00	5.2	-11.6
DOMINION6/76	500	12.00	1.0	2.00	8.25	69.6	6.3	1.0	HEITMAN-191#	8.00	10.00	130.00	6.1	4.8
F DEN-10/75#	1510	20.00	1.0	3.63	17.88	32.1	-3.2	5.4	HOTEL INV-90	7.75	21.00	107.00	7.1	-0.0
FIDELIT-3/79	173	22.25	1.0	5.00	22.00	23.8	-13.0	0.8	HOTEL INV-91	7.50	25.25	99.50	7.5	-0.0
FIDLC0-9/75#	471	25.00	1.0	9.50	33.88	1.8	-8.5	4.4	LINCOLN M'90	8.00	11.00	85.50	9.3	1.7
FIR PEN-7/74	1906	20.00	0.5	3.88	25.38	9.3	-0.0	7.3	MAS MUTL-91	6.25	33.50	94.00	6.6	-2.0
FR PE'B'9/75	540	28.25	0.5	2.13	25.38	28.0	-5.3	1.1	MEDIAN MT-90*	6.75	21.00	136.00	4.9	-8.8
FIR MEN-2/75	1160	20.00	1.0	4.75	23.00	7.6	-2.6	5.5	MI WASH-190	8.00	15.00	128.00	5.8	25.4
FST MTG 12/77	912	11.25	1.0	13.00	24.25	0.0	-9.5	11.8	MIDLAND M'86	7.00	16.67	78.00	7.6	10.5
GALBRTH-1/73	600	30.00	1.0	2.50	27.75	17.1	-5.0	1.5	MONY MTG-90*	7.00	11.00	113.00	6.1	-0.8
GEN MTG-1/76	150	11.75	1.0	2.00	11.00	25.0	14.2	0.3	NAT MTG F-91	7.00	12.00	105.00	6.6	-9.3
GLF S0-2/77	760	20.00	1.0	3.13	15.00	54.1	-0.0	2.3	NJB PRIME-91	6.75	21.00	87.00	7.7	-0.0
GRT AM-11/75	93	20.00	2.0	17.25	28.25	1.3	-19.7	1.6	NW MUT-191*	6.00	21.00	114.00	5.2	-8.5
GUARDIN5/76#	900	37.00	1.0	9.75	39.50	18.3	-2.6	8.7	RAMPAC-191	6.75	21.00	87.00	7.7	-5.9
GULF MT3/76#	2210	20.00	1.0	3.75	17.50	35.7	-11.7	8.2	REPUB MI-90#	7.25	19.00	95.50	7.5	-1.0
HAMILT1/76	1250	20.00	1.0	2.75	14.38	58.2	-8.3	3.4	SAUL (BF)90	8.00	15.50	128.50	6.2	11.7
HOSP INV8/76	1260	20.00	1.0	3.13	15.88	45.6	-13.7	3.9	STATE MUT-91#	6.75	21.00	101.25	6.8	0.2
MEDIAN M9/76	1250	12.50	1.0	3.63	13.50	19.4	-21.5	4.5	SUTRO MT-91#	6.75	20.00	99.00	6.8	7.3
M&T MTG-8/75	750	13.00	1.0	1.88	11.75	26.6	-6.0	1.4	US RLTY-189#	5.75	25.25	71.00	8.0	4.2
MI WASH-3/75	1016	15.00	1.0	3.50	16.25	13.8	16.6	3.5						
MIDLAND-9/74	400	12.50	1.0	3.25	13.25	18.8	3.8	1.3						
M0B HOM-8/74	213	10.00	1.0	2.63	8.25	53.0	-15.9	0.5						
MTR AM-11/74	3148	19.00	1.0	5.75	23.75	4.2	-2.2	18.1						
NAT MTG-3/79	330	10.00	1.0	4.25	13.25	7.5	-5.5	1.4						
N0 AVE-12/74	316	24.00	1.0	6.50	32.00	-4.6	-3.7	2.0						
REP M-12/74#	1810	20.00	1.0	6.00	25.13	3.4	6.5	10.8						
REPL-6/74#	1064	20.00	1.0	4.25	18.38	31.9	2.9	4.5						
RLTY REF6/74	1000	20.00	1.0	2.88	16.75	36.5	-0.0	2.8						
SUTRO M-4/74	300	20.00	1.0	4.63	20.13	22.3	5.7	1.3						
TEXAS FM6/76	1110	20.00	1.0	4.88	19.88	25.1	14.8	5.4						
TRI S0-12/74	1352	20.00	0.5	4.00	27.50	1.8	-11.1	5.4						
UNIONA12/74#	1253	20.00	1.0	8.63	28.38	0.8	7.8	10.8						
US LSG12/74#	1348	25.00	1.0	4.25	20.50	42.6	-5.5	5.7						
USF INV-6/75	2400	25.00	1.0	4.13	20.50	42.0	6.4	9.9						
WLS FAR-7/74	3760	20.00	0.5	2.63	20.88	20.9	-15.9	9.8						

WARRANTS AND DEBENTURES:

*LISTED NYSE
US LSG WTS EXPIRE 1980 BUT
ARE REDEEMABLE AT \$5 AFTER
1974.